

## **Research in Cyprus**

***Presentation by Mr Panicos Poulos, Permanent Secretary of the Planning Bureau and Chairman of the Board of Directors of the Research Promotion Foundation. Information Day on the "Establishment of a Technology Park in Cyprus". Hilton Park Hotel, 6 September 2004***

Ladies and Gentlemen,

In this short presentation I will try to give you an overview of the evolution and current status of research activities in Cyprus. Before I proceed to my presentation I would like to warmly welcome our guests from France and to express my congratulations to the organizers for taking the initiative to organize this event, which brings together all the stakeholders who are interested in the establishment of a Technology Park in Cyprus.

### **Evolution of Research activities in Cyprus**

Up until the early nineties, research activities in Cyprus were quite limited, not only by international standards, but also in relation with the relatively high level of development of the economy of Cyprus. Despite the high educational level of the population, the absence of a local University had, until 1992, constrained the development of research within the educational system.

Moreover, most research activities were undertaken by few research institutes of the public sector. Since financing of these activities was provided directly through the annual Development Budget of the Republic, there was little incentive for competition to secure the required funding.

In 1992, gross expenditure on R&D accounted for only 0,18 % of Gross Domestic Product, which, as you know, is a very low figure by international standards.

### **Steps towards the upgrading of R&D activities**

However, during the last few years several **steps have been taken towards the upgrading of research activities in Cyprus**. The most significant of these steps are:

- the establishment of the University of Cyprus in 1992,
- the expansion of research activities of two Internationally recognised institutes in Cyprus, the Institute of Neurology and Genetics, and the Agricultural Research Institute – the latter has become a European Centre of Excellence,
- the creation of research institutions in the private sector (private collages),
- the establishment, in 1996, of the Research Promotion Foundation - an institution responsible for the co-ordination and support of research activities in Cyprus, and the substantial increase of financing of research through the Foundation's Programs. I will talk about the activities of the Foundation in more detail, later in my presentation,

- the participation of Cyprus in the Fifth Framework Programme for Research and Technological Development of the European Union – that was the first time that Cyprus participated in a European Framework Program – and subsequently to the Sixth Framework Programme.
- The participation of Cyprus in other international programs such as the European Programmes COST and EUREKA, as well as programs launched by the European Science Foundation and the International Association for the Promotion of Cooperation with Scientists from the New Independent States of the Former Soviet Union.
- the establishment of business incubators within the framework of the “New Industrial Policy of the Government for the Development of High Technology Industry in Cyprus”. Since 2003, four incubators have been established and six projects have already been approved for funding.
- The agreement between the Government of Cyprus and the Harvard University for the establishment of a Research Centre in Cyprus. The Government contribution to the Centre for 2004 and 2005 is £4.1 mil.
- The establishment of the Institute of Cyprus, which is under way. The institute will be a research and educational centre of excellence. The Government contribution to the creation of the Centre for 2004 and 2005 is £794.000.

### **R&D Expenditure in Cyprus**

These developments led to a significant increase on the **expenditure devoted to research** (£19.4 mil. in 2002 in comparison with £5,6 mil. in 1992), as well as on the share of Research and Development expenditure to the GDP, (0.32 % of GDP in 2002 in comparison with 0,18 % in 1992). Nevertheless, these figures are still relatively low, if one considers the average expenditure on Research in the EU (1.9% of GDP) and the goal of the EU to increase this figure to 3 % by 2010.

Regarding **research activities by sector**, in 2002, the government accounted for 40.8 % of total R&D expenditure, the higher education institutions for 29.5 %, the enterprises for 20.3 % and the private non-profit institutions for 9.4 %. The largest part of R&D expenditure was devoted to the natural (chemistry, physics, biology, mathematics) and agricultural sciences, £7.9 million and £3.9 million, respectively. Other research activities focus on the sectors of social sciences (£3.2 mil), humanities (£1.7 mil), medical sciences (0.8 mil) and engineering (£2.0 mil).

### **Research Promotion Foundation**

As I mentioned before, in 1996 the Government of Cyprus, with the initiative of the Planning Bureau, established the **Research Promotion Foundation**, to serve as the national organisation for the promotion of scientific and technological research in Cyprus. The Foundation is a not governmental institution but it is fully supported by the government. The Foundation resources are derived mostly from the

Government of Cyprus, through the Planning Bureau, but also from the competitive programs of the EU, which are relevant to its activities.

The Planning Bureau concludes international (bilateral and multilateral) agreements for the launching of common research programs. Moreover, it introduces policy measures for the strengthening of research activities in Cyprus. For example, recently the Planning Bureau has introduced a special incentive scheme, which offers a financial bonus to the civil servants who succeed in securing funding from the Sixth Framework Programme of the EU for Research and Technological Development.

Throughout these years the Research Promotion Foundation has become the means through which the research policy of the Government is transferred to the research community of Cyprus. During the eight years of its operation the Foundation has developed a wide range of **activities**. I will briefly refer to the most important of them:

#### **Programs for Financing of Research**

The Research Promotion Foundation has developed several **Programs for Financing of Research Projects**. In 1998 the Foundation launched its first program with a total budget of £270.000 and funded 12 projects. In 2003 the Foundation launched a Framework Programme, which includes 3 Activity Areas, 11 Programs and 34 specific actions covering specialised objectives. The three Activity Areas of the Framework Program are:

- "Multi-thematic Research Development", which aims at the implementation of multi-thematic research projects.
- "Applied Research Development", which aims at the development of new products and services for the benefit Cypriot enterprises in all economic sectors.
- "Infrastructure Development and Research Support", which aims at helping the upgrading of the research infrastructure, the promotion of research collaborations and the exploitation of human research potential of Cyprus.

The total budget of the Framework Program exceeds £20 mil., while RPF's financial contribution amounts to £11,650 mil. The Framework Program is expected to support a total of 250 research projects and 150 additional research support actions.

The Foundation constantly improves the procedures for the implementation of its funding programs and follows practices, which are internationally adopted and accepted. The outcome of the scientific evaluation of submitted research proposals is a clear indication of this improvement.

#### **Utilisation of EU Programs**

Recognising the importance of **international cooperation**, the RPF has developed several initiatives for involving Cypriot researchers in international research activities. These initiatives support the participation of Cypriot scientists

in international research programmes and encourage collaboration between Cypriot and international institutions.

More specifically, RPF has developed measures for supporting Cypriot researchers, enterprises, and institutions, and promoting their participation in the following programmes:

- The 5th and 6th Framework Programmes of the European Union for research and technological development. The Government of Cyprus and the Research Promotion Foundation have set up a network of National Contact Points with the task of providing information, advice and assistance to researchers from Cyprus wishing to participate in the programs. Moreover the Research Promotion Foundation has signed an agreement of co-operation with the Praxis network from Greece, which provides for the training of Cypriot NCPs and the officers of the Research Promotion Foundation and the offering of specific help and advice to Cypriot researchers submitting proposals. The participation of Cyprus in FP5 and FP6 has been particularly successful. Specifically, the contribution of Cyprus to the FP5 Budget was approximately 10 mil. Euros and the total amount of money that the Cypriot researchers managed to secure was approximately double (over 20 mil. Euros). During the first 20 months of the FP6, the Cypriot research Community has secured a total of approximately 12 mil. Euros, which is considered satisfactory.
- The COST Programme, which promotes European Cooperation in the Field of Scientific and Technical Research. The participation of Cyprus in the various actions of the programme has been considerably increased during the last few years. In 1999, Cyprus was represented in 9 actions of the Programme, while this year Cyprus participates in a total of 66 actions.
- The EUREKA Programme for market oriented research and development,
- The EUMEDIS Programme for Euro-Mediterranean Cooperation in the field of Information Society,
- The Programs launched by the European Science Foundation and the International Association for the Promotion of Cooperation with Scientists from the New Independent States of the Former Soviet Union

Another activity aiming at the promotion of international cooperation is the preparation and implementation of the bilateral agreements between Cyprus and other countries in the field of research, in close cooperation with the Planning Bureau. So far, the Government has signed bilateral agreements with Greece and France, whereas preliminary discussions are under way for the conclusion of Agreements with a number of other countries, such as Austria and Slovenia.

#### **Strengthening of research infrastructure**

Finally, several activities of the Foundation focus on **strengthening of research infrastructure** in Cyprus. The Foundation has recently developed funding

Programs aiming specifically at the establishment of new or the upgrading of existing research infrastructure. Moreover, we are in the process of the development of a new scheme, which will provide to the research community of Cyprus the opportunity to access big, international research infrastructures. The Foundation has also developed several initiatives for developing the human potential in research. Such initiatives include specific programs and competitions for young researchers, as well as programs for the utilisation of Cypriot expatriate scientists. Finally the Foundation has developed several measures for the promotion of research culture within all levels of the educational system. Such measures include programs and competitions aiming at the involvement of pupils and students in research activities from the very first steps of their education and at the stimulation of the public's interest in the achievements of young scientists.

To conclude, the Government of Cyprus has increasingly recognised the importance of research and has already taken a number of concrete steps towards the upgrading of research activities in Cyprus. We recognise the fact that the level of research activities in our country is still low and the upgrading of such activities needs long term planning, consistent efforts and co-operation of all the stakeholders. We envisage that in the near future the gap in the level of RTD between Cyprus and developed countries will be further eliminated. Initiatives such as the establishment of a Technology Park in Cyprus, will substantially contribute towards this direction.